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# Spotlight ON FOREIGN MARKETING



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U. S. DEPARTMENT OF AGRICULTURE

TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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A U. S. TRADE CENTER WILL BE ESTABLISHED IN LONDON sometime next spring. This experiment in market development will be a joint effort of the Bureau of Foreign Commerce and FAS. Responsibility for management will rest with the agricultural and commercial attaches.

The Center's purpose will be to provide broader knowledge of U. S. products and to stimulate sales to the British. It will facilitate the work of U. S. trade groups cooperating with FAS in market development work in the U. K. Projects are now under way on cotton, wheat, rice, feedgrains, and fruit. Many additional products have been featured in exhibits and market promotion activities at three international trade fairs held in London in recent years.

An assistant agricultural attache will be at the Center to help in handling sales promotion activities and in maintaining close touch with market development for U. S. farm commodities in the U. K. Details: USDA Press Release 3575-60.

LARGE SHIPMENT OF BROWN SWISS AND HOLSTEIN CATTLE SOLD TO PERU, following a successful purchase mission. With an investment of \$9,600 in 104(a) market development funds, a sale of over \$200,000 was made. The number of cattle is 392, which is about 100 short of the total number of U. S. dairy cattle bought by Peru since the beginning of the market development project about three years ago. Several such purchase missions have been assisted under the market development program as a means of introducing U. S. breeding stock to new areas.

GOOD NEWS ON AGRICULTURAL EXPORTS at year's end, and a big plus for market development projects carried out jointly by FAS and private trade cooperators. The story is this: value of our farm exports in calendar year 1960 may reach an estimated total of \$4.6 billion, based on nine months' official data. This is a rise of 18 percent over the \$3.9 billion in 1959 and will top the record of \$4.5 billion in calendar year 1957. Greatest advances in both volume and value were for cotton, wheat, and soybeans.

NINETY PERCENT OF THE WORLD'S 1959 GRAPEFRUIT PRODUCTION or about 42,000,000 boxes was produced in the U. S. The second place commercial producer, with a total of 2,000,000 boxes, is Israel.



NEW APPROACH BRIGHTENS OUTLOOK FOR U. S. WHEAT SALES TO JAPAN. The U. S. is about to undertake a vigorous new approach toward building its Japanese market for Hard Red Winter Wheat.

Under a recently-announced program, the Department is establishing a special export rate for experimental shipments under its "payment-in-kind" wheat export program. This special rate, which will be limited to six lots totaling not more than 9,000 metric tons (330,000 bushels), will permit pricing commercial-size samples of U. S. -produced Hard Winter Wheat competitively with comparable quality wheat produced in other wheat-producing countries.

According to present plans, cooperating Japanese millers and bakers, with technical help from the U. S., will run commercial-size tests of this wheat, blending it with varying parts of Hard Spring Wheat. Earlier small scale tests have indicated that the combination is a good one and should serve to eliminate any doubts that the Japanese may have had as to the desirability of using U. S. Hard Red Winter Wheat in their baking industry.

The large scale test will be accompanied by an educational program so as to spread the word about the suitability of the blend of wheats.

Discussions between E. F. Seeborg, FAS cereal technologist, and leading Japanese milling and baking technologists, accompanied by laboratory scale milling and baking tests, led to agreement to carry out the large scale trials. Seeborg said that previous Japanese opinion was based on experience with poor quality wheat and a lack of knowledge of proper milling techniques and baking formulas for Winter Wheat. In his opinion, this new market development approach, in which the U. S. wheat industry and the Department are cooperating, may open up a potential market for approximately 20 million bushels of Hard Red Winter Wheat in Japan per year.

Trial shipments will arrive in Japan in early January. Ed Seeborg will be in Japan to assist as a consultant and observer during the trial milling and baking experiments.

ECUADORIANS BUY U.S. LIVESTOCK. A 3-member sheep-buying team from Ecuador recently purchased 270 head of Corriedale, Columbia and Rambouillet breeds of sheep in Texas, New Mexico and Colorado. The team also selected an additional 300 head which will probably be shipped early next year.

Francis Jack, our agricultural attache, stated that the imports of the sheep received widespread publicity.

This mission was assisted by a market development project coordinated by Francis Jack and the Livestock and Meat Products Division of FAS. It stimulated a great deal of interest in the importation of sheep from the U. S. The Ecuadorian sheep association has already announced intentions to import additional sheep from the U. S. in the near future.

LARGE VOLUME OF U. S. CANNED CHICKEN SELLING TO U. K. AND AUSTRALIA. During the period January through September 1960, about 2.5 million pounds moved into the U. K. Australia has taken about a half million pounds thus far this year.

These are good examples of what can happen to export sales when trade barriers on certain U. S. commodities are liberalized or eliminated. Sales possibilities for U. S. canned poultry in other countries where there is a potential market are being explored.

MARKET PROMOTION WILL GET AN ASSIST FROM ARS RESEARCH PROJECTS, which are now being carried out in several foreign countries. Financed with 104(a) funds, projects are now being carried out on soybeans, wheat, cotton, corn, rice and hides. Among the countries where this research is taking place are Spain, Italy, Israel, Japan and the United Kingdom.

In a recent progress report to FAS, Dr. Edward Hilbert of ARS stated that a closer liaison between the research program and the promotion programs carried out by FAS and private trade groups should be helpful to all concerned. He cited as outstanding examples of this type of cooperation the projects now being coordinated with the American Soybean Council and the National Cotton Council of America. Similar groups, representing other commodities, should be cued in on the overseas research program so that individual problems can be studied. An example is the special research program on food additives and coloration of citrus fruit which is now planned for Western Europe.

There are many distinct advantages to carrying out research projects abroad, and one is to create interest in a product which is new to a given country and possibly encourage a market. Dr. Hilbert noted, for example, that there was no research on soybean oil in Spain prior to the ARS grant; oil research had previously been concerned with olive oil. Soybean oil is now moving into Spain for dollars, as well as under Title I and Title II of P. L. 480.

DRIED HONEY, A POSSIBLE BOON TO CONFECTIONERS AND BAKERS, has been developed by USDA research engineers. When reconstituted with water, this new product has substantially the flavor of fresh liquid honey, and its free-flowing granular form provides new convenience and economy in handling.

A sufficient quantity for testing was manufactured at the Eastern Utilization Research Lab in Philadelphia, developer of the product. Reaction from bakers and candy makers has been most favorable. At least two companies are interested in drying honey on a commercial basis. In the meantime, several possibilities are being considered for future marketing of the product, if and when commercial production comes about: testing of dried honey in bakeries and candy manufacturers overseas, and its possible introduction as a "product of the future" in U. S. agricultural exhibits in international trade fairs.

EXPORT SALES OF DRY PEA BEANS TO BE PUSHED IN 1961. The CCC announced recently that any pea beans taken over from the 1960 crop will be sold only at the higher of the domestic market price, or the statutory minimum price, which is 105 percent of the 1960 support price plus reasonable carrying charges.

This pricing policy will apply to both domestic and export sales. It is designed to encourage maximum movement of 1960-crop dry pea beans into commercial market channels. It removes any uncertainty regarding CCC pricing of these beans after takeover and should make possible commercial holding of the bulk of the inventory.



TWENTY U. S. JERSEY COWS WILL SHORTLY ARRIVE IN JAPAN. They are a gift from the American Jersey Cattle Club. Earlier this year a shipment of Iowa hogs were donated in a similar manner by a group of Iowa farmers. Transportation in both cases is through the courtesy of the U. S. Air Force as part of its "People-to-People" program.

The cattle will be housed on an experimental farm in Kofu, Yamanashi Prefecture. Feeding and milking demonstrations will be held daily for not only Japanese dairy farmers, but farmers from other Far Eastern nations. Through these demonstrations it is hoped that the Japanese will better realize the superior qualities of U. S. purchased dairy cattle with resultant commercial imports of U. S. purebred Jersey and other U. S. purchased breeds of dairy cattle. The hog demonstration at Kofu has proved so successful that a tour director was hired to handle an average of 50 tourists per day.

Japan is also a potential market for U. S. feed grains, and the demonstration herds of cattle and swine will be helpful in carrying out a recently signed market promotion project for feed grains which is presently under way in that country.

NEW WHEAT FOOD IS A "THREE MEALER," and the Kansas Wheat Commission, which had the product developed by the Western Regional Research Lab, says it's a real tasty dish. The new food, which is yet to be named, is made from wheat which is washed, de-branned and cooked. It comes canned, flavored, or plain. It can be eaten in the unflavored type as a breakfast food; in flavors of chicken or beef broth it can be served with a variety of luncheon and dinner dishes. The new product was sales-tested in the Eastern U. S. and gained quick consumer acceptance. Testing abroad may come next year at one or more U. S. exhibits in international trade fairs.

THE QUALITY OF U. S. FRUIT EXPORTS TO THE U. K. will be the subject of a joint FAS-AMS survey to be conducted in London in early 1961. A team of four fruit experts will examine the quality and condition of U. S. fresh, canned, and dried fruits, and compare them with exports from competing countries. The project, which will be carried out in the peak season of U. S. fruit exports, is designed to help expand dollar exports of U. S. produce. A report will be published at the completion of the project.

IMPROVED METHOD OF CLEANING HIDES can reduce shipping weight and freight costs by almost 20 percent, according to a recent research report issued by USDA. The new machine cleaning system, developed by ARS, is said to eliminate many defects often found in cured hides which result from improper curing and tanning in spots where pieces of flesh and dirt prevent curing salt from reaching the leather.

The new development in cleaning hides is expected to help the leather industry, both here and abroad, to meet growing competition from synthetic substitutes. And the reduction in shipping weight and freight costs should give attaches a future good talking point in their conversations with potential buyers of U. S. hides. AMS Report 140.

DUTCH DRY PEAS ARE OF POOR QUALITY this year because of excessive wet weather during the 1960 growing season. West Germany and the U. K., which normally buy large quantities of this commodity from The Netherlands, may look to the U. S. for larger than usual shipments.